

HERTFORDSHIRE COUNTY COUNCIL

**CABINET
MONDAY 23rd JULY AT 10.00 A.M.**

**EXECUTIVE COMMITTEE
MONDAY 23rd JULY AT 2.15 PM**

Agenda Item No:

3

**COUNTY COUNCIL REVENUE AND CAPITAL PROVISIONAL OUTTURN
2000/01**

Report of the Finance Director

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1. Purpose of the Report

To inform members of:

- the forecast outturn for Revenue and Capital Budgets in respect of 2000/01, based on budget monitors to 31st March 2001,
- requests for virements and carry forwards requiring Member approval,
- other budget monitoring issues and their impact, if any, on future years.

2. Summary

- 2.1 As at 31 March 2001 an overall underspend, (before carry forwards), of £1.49m is projected against the latest approved revenue budget of £790.789m.
- 2.2 The principal reasons for the variation in the forecast revenue outturn are listed in Table 1 (Para 1.1), whilst a more detailed analysis is shown in Appendix A.
- 2.3 Table 3 (Para 2.1) analyses by service the forecast capital variance of £10.085m below budget. Analysis by type of variance is shown in Table 4 (Para 2.1), whilst a detailed analysis is supplied in Appendix B.
- 2.4 Section 3 of the main report details the virement and carry forward requests requiring member approval. It also sets out the decisions required from members on the treatment of unplanned revenue underspends and the impact on General Reserves at 31 March 2001.
- 2.5 Owing to the urgency of this matter it has not been possible to put the matter to a meeting of the Resources Prosperity Partnership & Consultation Select

Committee. Comments have been invited from the Select Committee Spokesman. Any comments received will be reported to the Cabinet.

Conclusion

- 3.1 Member approval is required for virements and carry forwards over £75k. Details of these are set out in section 3 in the main body of the report.
- 3.2 Transferring the balance of the revenue underspend, after meeting all identified overspends and carry forward requests, would result in General Balances of £15.7m at 31st March 2001 compared to the forecast of £15.2m.

1. REVENUE BUDGET VARIANCES

1.1 The following table shows those variances of £75,000 or more against the latest budget, cross-referenced to the detailed explanation for the variance.

Table 1 Service	Description	Para Reference	Over/ (Under spend) £000	
Education	Mainstream Home to School Transport	1.3.1	600	
	SEN Home to School Transport	1.3.2	184	
	Maternity Cover	1.3.3	190	
	Other Premises Related	1.3.4	150	
	School Meals	1.3.5	(550)	
	Nursery Growth	1.3.6	(237)	
	Non HCC Specialist Placements	1.3.7	(200)	
	Teachers Severance Payments	1.3.8	(106)	
	Earmarked Pupil Funding	1.3.9	(126)	
	LMS Contingencies	1.3.10	(175)	
	Units & Bases	1.3.11	(105)	
	Leased car discounts	1.3.12	(147)	
	Social Services	Home Care for all client groups	1.4.1	400
Residential and nursing home placements for the elderly		1.4.2	200	
Placements of MH and PD adults in independent sector homes		1.4.3	300	
Children's out county / agency and fostering / adoption		1.4.4	250	
Transport		1.4.5	270	
Legal charges		1.4.6	190	
Adaptations and Home Ability		1.4.7	190	
Day care and respite care for LD children		1.4.8	100	
District staffing and office costs		1.4.9	100	
Repairs and maintenance		1.4.10	(250)	
In house children's services		1.4.11	(300)	
Leased car discounts		1.4.13	(356)	
Environment		Waste management	1.5.1	434
	Routine Maintenance	1.5.2	305	
	Long Term Structural Maintenance	1.5.3	(120)	
	Short Term Structural Maintenance	1.5.4	200	
	Safety and Movement	1.5.5	(100)	
	Strategy Planning and Information	1.5.6	(100)	
	Leased car discounts	1.5.7	(112)	
	Capitalisation of maintenance	2.4.4	(200)	
Community Information	Customer Services Centre	1.6.1	(237)	
Protection	Fire & Rescue	1.7.1	85	
	Fire Pensions	1.7.2	(296)	
Corporate Services	Corporate Managed Properties	1.8.1	160	
	Corporate Property Management Fees	1.8.2	(160)	
	Members Services	1.8.3	(98)	
	Chief Executive's/Assistant Chief Executive	1.8.4	(100)	
	County Personnel	1.8.5	(80)	
	Leased car discounts	1.8.6	(115)	
	Capital Fin & IOB	Savings	1.9.1	(1,020)
		Other forecast variances below £75k		(508)
	Forecast Underspend		(1,490)	

- 1.2 Table 2 below summarises the variances by service using the criteria set out in Financial Regulations.

Budget Variances 2000/01

Table 2

	Overspends	Planned Under-spends	Unplanned Under-spends	Net Variances	Carry Forwards 2000/2001 requested
	£000	£000	£000	£000	£000
Education	1,234	(169)	(1,653)	(588)	200
Social Services	2,095	(550)	(356)	1,189	(19)
Environment	992	(737)	(112)	143	
Community Information		(356)	(19)	(375)	356
Protection	121	(99)	(347)	(325)	99
Corporate Services	292	(643)	(130)	(481)	355
Central Items		(33)	(1,020)	(1,053)	21
Totals at 31/3/01	4,734	(2,587)	(3,637)	(1,490)	1,012

1.3 EDUCATION

1.3.1 Mainstream Home To School Transport - £600,000 or 12% Overspend

This overspend is due to both cost and demand led pressures. Cost pressures relate to additional tender costs, higher than expected inflation and changes to routes and contracts due to increased take-up. In addition, there has been a need for new provision for the following schools; Hertsmere and Michael Sobell (demand greater than anticipated), Westfield and Tring (changes to community transport policy) and Sheredes (increased demand arising from shortage of secondary school places in the lower Lea Valley). There have also been additional pressures on consortium transport.

1.3.2 SEN Home to School Transport - £184,000 or 2.5% Overspend

The main reason for the predicted overspend is price changes that have occurred on 241 existing contracts due to changes in transport requirements, for example additional pupils being added or pupils moving. In addition all continuing SEN contracts (currently 700) have risen by the RPI (3%) compared to the 1.9% inflation built into the budget. However, the provision for further demands included within the budget has not been fully required, leading to a £93,000 reduction in the overspend reported in the December monitor.

1.3.3 Maternity Cover - £190,000 or 30.9% overspend

Expenditure against this budget reflects a greater number of teachers taking maternity leave than assumed in the original budget. The numbers have increased further from January onwards, and the overspend has consequently increased from the £180,000 reported in the February monitor.

1.3.4 Other Premises Related - £150,000 or 17% overspend

This overspend relates to one-off costs incurred in transporting furniture and equipment as part of school reorganisations.

1.3.5 School Meals - £550,000 or 17% unplanned underspend

Reduced free school meal entitlement and take-up is projected to result in an underspend of £550,000 on the budget for the provision of school meals.

1.3.6 Nursery Growth - £237,000 or 32.2% unplanned underspend

This underspend has arisen because fewer children are claiming under the support scheme and under the three year old grant arrangements than the budget allowed for.

1.3.7 Non HCC Specialist Placements - £200,000 or 3% unplanned underspend

The main reason for the underspend is due to a number of changes in placements and funding for 40 pupils (£157,000) and a larger number of leavers than anticipated (20 pupils) compensated for by 14 pupils staying on that were expected to leave (net effect £43,000 saving).

1.3.8 Teachers Severance payments - £106,000 or 3.4% planned underspend

A lower than anticipated level of severance payments across the county means the overall budget was underspent.

1.3.9 Earmarked Pupil Funding - £126,000 or 15% unplanned underspend

The budget was allocated to fund 750 pupils with EPF for a full year. Schools are now able to make submissions in any term. Funding is then allocated with effect from the following term. Although funding for 750 pupils has now been allocated, the level of submissions in the Summer Term 2000 was lower than assumed, resulting in an underspend in 2000/01.

1.3.10 LMS Contingencies - £175,000 or 9.5% unplanned underspend

This budget provides funding for large in-year increases in pupil numbers, for other formula funding adjustments and for contributions towards the cost of emergencies in schools. The cost of funding these eventualities in 2000/01 was £175,000 less than the budget.

1.3.11 Units and Bases - £105,000 or 3.2% unplanned underspend

The underspend has arisen because of delays in recruitment to the new EBD pilot units.

1.3.12 Leased car discounts - £147,000 unplanned underspend

This arises because of a higher than expected level of discount available to services on the leased car scheme. The discount received in any one year is unpredictable as it depends both on the number of new leased car contracts taken out in the year and the model of car being leased (the level of discount varies with the model). Patterns of renewals, new contracts and model preference are difficult to predict with accuracy and final discount figures are not known until the year end.

1.4 SOCIAL SERVICES

1.4.1 Home Care for all client groups - £400,000 or 1.7% overspend

The full year effects of the home care commitments as at 31 March 2000 were greater than allowed for in the 2000/01 revenue budget. The number of people meeting the home care eligibility criteria increased during the year. As a result of these two factors, the budget (£23m+) has overspent by £400,000, an increase of £70,000 on the previously projected overspend. A plan was implemented in early June 2000 to ensure that all packages were reviewed on a regular basis, especially for those clients recently discharged from hospital where the need for support tends to reduce over a relatively short period of time.

The budget has been increased in 2001/02 (from full year effects and demography provisions) to reflect the increased ongoing commitments.

1.4.2 Residential and nursing home placements for the elderly - £200,000 or 0.6% overspend

Districts are set monthly placement targets based on client turnover to try and ensure that the budget does not overspend. However, over the last few months the number of clients discharged has been less than estimated and this has resulted in an overspend of £200,000 on a net budget of over £31m.

Some Winter Pressures monies were made available by Health from December 2000 to reduce the pressures on hospitals.

1.4.3 Placements of MH and PD adults in independent sector homes - £300,000 or 6.1% overspend

These budgets (£4.95m) were overspent by £300,000 in 2000/01. The budgets were set based on commitments as at 31 March 2000. New urgent placements above turnover have caused the budget to be overspent.

The full year effects arising from placements made in 2000/01 have been allowed for in the 2001/2 revenue budget. There is also an allowance in 2001/2 for a small number of new clients.

1.4.4 Children out county/agency and fostering /adoption - £250,000 or 0.2% overspend

The out county / agency budget has overspent by almost £100,000 on a budget of £5.8m. An underspend of around £100,000 was being forecast at the end of

December 2000. However, there was an increase in the number of children placed in the last few months of the year resulting in the overspend.

The fostering / adoption budget has overspent by £150,000 on a budget of almost £7m resulting in an overall overspend on these budgets of £250,000.

The out county / agency budget is particularly volatile and a relatively small change in the numbers being funded has a significant impact on the overall level of commitments.

1.4.5 Transport - £270,000 or 5.6% overspend

The overspend on transport services of £270,000 is as a result of the impact of additional / new clients in 2000/01.

1.4.6 Legal charges - £190,000 or 24.5% overspend

Additional hours undertaken by the Childcare Litigation Unit and increased payments for external legal services (for complex children and families cases) has resulted in legal costs related budgets being overspent by £190,000. An overspend of £140,000 was reported in the last quarter's monitor.

1.4.7 Adaptations and Home Ability - £190,000 or 37% overspend

Both the adaptations and home ability budgets were overspent in 2000/01 since more works need to be undertaken than was estimated to allow clients to remain at home. There has been a real terms increase in the Home Ability budget in 2001/02 compared with 2000/01.

1.4.8 Day care and respite care for LD children - £100,000 or 11.6% overspend

The number of LD children being provided with day care and respite care continues to increase. There are now more children receiving a service than was allowed for when the 2000/01 budget was set. The overspend on these budgets amounts to £100,000 which is the same level of overspend as was reported in last quarter's monitor. The 2001/02 budget has been increased to reflect the ongoing commitments.

1.4.9 District staffing and office costs - £100,000 or 0.4%overspend

This budget (£24.6m) was overspent in 2000/01 by £100,000.

To assist with the recruitment and retention of social workers the grading structure of social workers was reviewed at the start of 2000/01 and this resulted in a potential overspend of £500,000. However, by delaying the recruitment process for certain posts, the potential overspend was reduced.

The 2001/2 budget includes provision for the new social worker grading structure.

1.4.10 Repairs and maintenance - £250,000 or 12.2% planned underspend

A planned underspend of £300,000 of the repairs and maintenance and minor works budget was used to partly offset the 2000/01 overspends throughout the

rest of the Committee. This underspend was to be achieved by delaying certain start dates and concentrating on urgent and essential works. A lower than expected underspend of £250,000 has been achieved because more emergency works were required than previously envisaged.

1.4.11 In house children's services - £300,000 or 2.4% planned underspend

Mainly as a result of recruitment difficulties, underspends amounting to £300,000 have been achieved within Family Support Teams, Family Placements Teams (excluding the specialist fostering project) and the Community Mental Health Service. This is a similar level of underspend as was reported in the last quarter's monitor.

1.4.12 Leased car discounts - £356,000 unplanned underspend

This arises because of a higher than expected level of discount available to services on the leased car scheme.

1.5 ENVIRONMENT

1.5.1 Waste Management - £434,000 or 3% overspend

The tonnage of waste eventually disposed of was very slightly lower than previously projected, but higher than original estimates.

1.5.2 Routine Maintenance - £305,000 or 3.1% overspend

The direct costs of winter maintenance are charged to the Routine Maintenance Budget. As reported in the February monitor, the winter weather has been extreme this year, resulting in many extra salting runs, frequent incidents of flooding and recently a major flooding problem at Kimpton.

1.5.3 Long Term Structural Maintenance - £120,000 or 2.9% planned underspend

Positive action has been taken on rescheduling work to generate an underspend of £120,000 to help offset overspends being experienced elsewhere in the department.

1.5.4 Short Term Structural Maintenance - £200,000 or 2.7% overspend

It was reported in the January monitor that the winter weather had taken its toll on the condition of the roads and that emergency pothole repairs were threatening the overall maintenance budget. These are managed as part of the Short Term Structural Maintenance.

1.5.5 Safety and Movement - £100,000 or 3.1% planned underspend

Following discussions with the Police, the funding earmarked for assisting with their costs stemming from the increased use of speed cameras has been delayed until next financial year.

1.5.6 Strategy Planning and Information - £100,000 or 3.3% planned underspend

Revenue from a greatly increased number of planning applications has generated this underspend.

1.5.7 Leased car discounts - £112,000 unplanned underspend

This arises because of a higher than expected level of discount available to services on the leased car scheme.

1.6 COMMUNITY INFORMATION

1.6.1 Customer Services Centre - £237,000 or 12.2% planned underspend

The operational costs of the CSC are paid to the contractor based on a unit cost per telephone call received. The key variables to the unit cost are the volume of calls received and the average duration of those calls. Both of these variables are applied in arrears, based on six monthly rolling averages. Call volume for the year 2000/01 has been below forecast and average call duration has been above forecast, particularly during the latter half of the year. The net effect is an underspend in this financial year. However, the variations in this financial year will directly increase costs in the next financial year, as the higher call duration experienced in the latter half of 2000/01 will result in a surcharge (forecast to total £65,000) on the unit cost per call in the first half of the next financial year. The lower call volume experienced in the 2000/01 financial year will delay the achievement of volume related discounts in the next financial year. This is estimated to be approximately £157,000.

1.7 PROTECTION

1.7.1 Fire and Rescue - £85,000 or 0.4% overspend

The overspend consists of £45,000 on retained fire fighters turnout fees as a result of the recent severe flooding, £18,000 on fuel as a result of higher than budgeted price increases and the balance is as a result of increased expenditure on essential repairs and maintenance.

1.7.2 Fire Pensions - £296,000 or 6.8% unplanned underspend

The underspend on pensions relates to a lower than expected level of retirements.

1.8 CORPORATE SERVICES

1.8.1 Corporate Managed Properties - £160,000 or 19% overspend

The Corporate Managed Properties budget is expected to overspend by up to £160,000 (after a budget adjustment of £250,000 for the loss of rent on depots and sold properties approved by Cabinet on 19th March 2001).

It is proposed to offset this against the underspend on Corporate Property fees. (see 1.8.2)

As this is a volatile budget, where the properties vary each year, work is in hand to identify ways in which monitoring can be improved both in terms of more accurate forecasting and setting a budget against which performance can be monitored for 2001/02.

1.8.2 Corporate Property Fees - £160,000 or 29% planned underspend

The budget for corporate property fees for work commissioned from APS has underspent by £160,000 this year, as work on capital accounting has not been completed. The underspend arises in part because APS are directing a greater proportion of their work to the Corporate Managed Properties budget instead. It is proposed to use this underspend to offset the pressures on the Corporate Managed Properties budget (see 1.8.1).

1.8.3 Members' Services - £98,000 or 8.9% underspend

£52,000 was carried forward from 1999/00 to spend on issues emerging due to the implementation of the new Executive arrangements. Since the full effect of those changes has yet to be realised, only part of the carry forward has been spent. In addition there have been savings of £30,000 on running expenses including printing, conferences and meetings, £8,000 on pay and £18,000 on travel and other allowances. It is therefore requested that £81,000 of the underspend be carried forward to 2000/02 to deal with IT requirements and other additional costs which will occur following the election of the new Council in June 2001.

1.8.4 Chief Executive's/Assistant Chief Executive - £100,000 underspend

Assistant Chief Executive £31,000 or 7.6% planned underspend

The late start to the Community Strategy has meant that the scheme was not fully established by the year end. There is underspend of £20,000 on this budget, plus a further £11,000 on training and other costs resulting in an underspend of £31,000. It is proposed to carry this forward to 2001/2 to fund the delayed work.

Crime & Disorder – £69,000 or 38% planned underspend

There has been a major programme of grant making towards the end of 2000/01, but not all monies were allocated by the end of March. Carry forward

is proposed so that these grants can go ahead in the new year, and also to help meet the costs of the crime audit and consultation process.

1.8.5 County Personnel - £80,000 or 6.3% planned underspend

There are savings arising from organisation development work for the new Adult Care Department, now postponed to 2001/02. There have also been further savings on running costs including printing and management consultancy. There is a £14,800 underspend on the Equalities budget, and £8,000 on Equal Opportunities.

1.8.6 Leased car discounts - £115,000 unplanned underspend

This arises because of a higher than expected level of discount available to services on the leased car scheme.

1.9 CAPITAL FINANCING AND INTEREST ON BALANCES

1.9.1 £1,020,000 unplanned underspend.

This arises from a combination of higher than expected balances and interest rates in the final quarter of the year.

2 CAPITAL BUDGET

2.1 Projected Outturn and Variances

Expenditure for the County Funded Capital Budget is estimated to be £10.578m below latest budget at outturn. Analysis of this variance by service is shown in table 3.

Table 3			
Committee	Latest Budget	Current Forecast Outturn	Projected Variance
	£000	£000	£000
Education	46,805	43,151	(3,654)
Social Services	5,680	4,235	(1,445)
Environment	18,702	15,483	(3,219)
Community Information	1,752	1,186	(566)
Protection	1,371	815	(556)
Corporate Services	5,063	4,418	(645)
Magistrates Courts	119	119	0
Probation	403	403	0
Total	79,895	69,810	(10,085)

The variance of £10.085m can be analysed as slippage of £8.048m, underspends of £1.567m less overspends of £0.126m, plus unused Basic Credit Approval of £0.596m in respect of the Baldock by-pass. The variance is analysed by service in table 4 below:

Table 4					
Committee	Slippage	Overspends	Unused BCA	Underspends	Total Projected Variance
	£000	£000		£000	£000
Education	(3,654)				(3,654)
Social Services	(958)	13		(500)	(1,445)
Environment	(1,876)		(596)	(747)	(3,219)
Community Information	(566)				(566)
Protection	(236)			(320)	(556)
Corporate Services	(758)	113			(645)
Magistrates Courts					
Probation					
Total	(8,048)	126	(596)	(1,567)	(10,085)

Table 5 shows those projects with material variances.

Table 5

Service	Description	Para Ref.	Forecast over/ (underspend) £000
Education	2000/01 Basic Need Schemes Cheshunt & Rickmansworth Secondary Places	2.2.1	(236)
	1999/00 Basic Need Schemes Stevenage Secondary Places (857) North Harpenden Primary School 140	2.2.2	(717)
	1998/99 Basic Needs Scheme Stevenage Primary (545) St Albans Secondary Places (292) Croxley Green Primary School 108	2.2.3	(705)
	1996/97 Basic Need Scheme		(32)
	2000/2001 County Funded (Major Schemes)	2.2.4	(213)
	1999/2000 County Funded (Major Schemes)	2.2.5	(627)
	pre- 1998 County Funded (Major Schemes)		58
	2000/01 Annual Provisions and Structural Repairs and Maintenance Repairs and Maintenance Annual provisions	2.2.6	(971) (539)
	Welwyn Garden City Secondary Review	2.2.7	328
	Social Services	LD Hostel Review	2.3.1
Ripon Road		2.3.2	(223)
Balmoral Day Centre Replacement		2.3.3	(500)
Letchworth Children's Home (Self financing)		2.3.4	(87)
Refurbishment of Martins Home		2.3.5	(36)
Refurbishment of Residential Homes for Children		2.3.6	(24)
Beaconsfield Road Hostel, St Albans		2.3.7	160
Lonsdale School(JF)		2.3.8	(62)
Other Variances		26	
Environment	Highways Maintenance Depots (Self Financing)	2.4.1	(1,845)
	Baldock By-pass	2.4.2	(596)
	Aldenham Dam Repairs	2.4.3	(243)
	Rights of Way – Bridge Refurbishment	2.4.5	(31)
	Cheshunt Link Road, land compensation	2.4.4	(200)
	Disabled Crossing	2.4.6	(18)
	PTU Public Information 2000 Project	2.4.7	(14)
	Integrated Transport Policies	2.4.8	(272)
Community	CD Rom work Enhancement	2.5.1	(149)

Information	DDA Compliance Work – Lifts	2.5.2	(56)
	DDA Compliance Work – Buildings	2.5.3	(52)
	HALS Digitisation	2.5.4	(35)
	Automated Library Replacement System	2.5.5	(60)
	DDA Compliance (F&E)	2.5.6	(31)
	Libraries Annual Provisions	2.5.7	(29)
	Library Automation	2.5.8	(77)
	R & M		(23)
	Other Variances		(24)
Protection	Protective Clothing	2.6.1	(251)
	Training Centre, Longfield	2.6.2	(74)
	Operational Equipment	2.6.3	(17)
	IT Equipment	2.6.4	(28)
	Repairs & Maintenance	2.6.5	(47)
	Minor Works		(37)
	Health & Safety		(25)
	Various minor underspends	2.6.6	(77)
Corporate Services	Customer Service Centre	2.7.1	(145)
	Energy Conservation	2.7.2	(41)
	Smallford Landfill Site	2.7.3	(58)
	Telecommunications Strategy	2.7.5	(389)
	Land Purchase Contingency, Feasibility Studies and Rationalisation Schemes	2.7.6	99
	Corporate ICT	2.7.4	(90)
	Various minor variances		(21)
	Forecast Variance		(10,085)

2.2 EDUCATION

2.2.1 2000/01 Basic Need Schemes -Slippage £236,000

Slippage of £236,000 is expected on the Cheshunt and Rickmansworth Secondary Places schemes, where discussions are continuing as to the most appropriate way to meet the identified need.

2.2.2 1999/00 Basic Need Schemes- Net Slippage £717,000

Slippage of £857,000 is expected on the Stevenage Secondary Places schemes. Detailed schemes are now being prepared following consultation with members but work on site will not now commence until financial year 2001/2.

The £140,000 of expenditure over budget on the North Harpenden Primary School scheme in 2000/01 is due to work being carried out earlier than assumed in the original budget cash flow. However, the scheme is still expected to be carried out within the budget available.

2.2.3 1998/99 Basic Need Schemes- Net Slippage £705,000

Slippage of £545,000 is expected on the Stevenage Primary Places schemes. Proposals for meeting Basic Need in Stevenage, following extensive consultation, have been agreed by the Education Committee but will not require major expenditure this year.

Slippage of £292,000 is expected on the St Albans Secondary Places schemes. Proposals for meeting Basic Need in St Albans and arrangements for combining Basic Need funding with Capital Challenge funding to create one large scheme have now been agreed but will not now incur expenditure until 2001/02.

The £108,000 of expenditure on the Croxley Green Primary School scheme incurred in 2000/01 is in anticipation of funding from developers contributions in 2001/02.

2.2.4 2000/01 Major Schemes – Net Slippage £213,000

There is minor slippage (under £75,000) on 12 schemes within the 2000/01 programme.

2.2.5 1999/2000 Major Schemes- Net Slippage £627,000

Schemes at Richard Hale, Woolgrove, Woodfield and Barnwell schools are being carried out earlier than assumed in the original budget cash flow. Schemes at Amwell View, Cavendish and Roundwood Park Secondary are being carried out later than originally assumed. All schemes are still expected to be carried out within the budget available.

2.2.6 2000/01 Annual Provisions and Structural Repairs and Maintenance- Net slippage £1,510,000

Works committed at 31 March but where payment has not been made at that date include £300,000 in respect of kitchen refurbishment, £134,000 for minor works and £971,000 in respect of structural repairs and maintenance.

2.2.7 Self Financing Schemes

Welwyn Garden City Secondary Review-overspend £328,000

Work is complete on the scheme at Stanborough School. Final costs are £5.177m against an approved budget of £4.849m. The additional costs of £0.328m relate to the provision of mobile classrooms to ensure the effective operation of the school on one site while the building works were under way. The scheme at Sir Frederic Osborn School is nearing completion. Work is being planned at Monks Walk school (approved budget £0.900m), but no commitments have yet been made. Similarly, works at Ludwick Nursery School and in relation to the relocation of Creswick School to the former Sir John Newsom School site are being considered but no commitments have yet been made.

2.3 SOCIAL SERVICES

2.3.1 LD Hostel Review – slippage £699,000

Works on the Tannerswood Hostel, Abbots Langley have been delayed by three weeks as a result of the adverse weather. Tenders based on the original design for Scarborough House, Stevenage were significantly in excess of the budget allocation and as a result this scheme is being redesigned. Two smaller jobs which should have started in January 2001 have yet to go to tender.

2.3.2 Ripon Road – slippage £223,000

The start date for this scheme has been further delayed until the middle of March 2001 as a consequence of ground conditions and further slippage of £80,000 will now be required.

2.3.3 Balmoral Day Centre Replacement – underspend of £500,000.

£500,000 was provided in the self financing programme for 2001/02 to begin the replacement of Balmoral Day Centre. To date no suitable replacement site has been located in Watford and so a detailed business case for the replacement scheme is yet to be prepared. No spending on this scheme will occur until a business case has been approved by Cabinet.

2.3.4 Letchworth Children's Home, Wilbury Rd (Slippage £87,000)

This self-financing scheme is being funded £600,000 from the sale proceeds of Rufford House (former Children's home) and £75,000 from Minor Works. An estimated £87,000 of expenditure will now be incurred in 2001/02.

2.3.5 Martins – Refurbishment of Home (Slippage £36,000)

A liquidated damages claim is still progressing after a number of years. Advice from Amy Property Services is that it is prudent to bring forward the 2000/01 budget provision of £36,000.

2.3.6 Hemel Hempstead Residential Home for Children (Slippage £24,000)

The current boilers, which are unable to provide sufficient heating/hot water, at this unit and at Brocket Road, Hoddesdon were replaced in early 2001/02 at a cost of £24,000.

2.3.7 Beaconsfield Rd Hostel, St Albans (Overspend £160,000)

This is a technical overspend arising from slippage on this externally funded Capital Challenge scheme, the borrowing approval relating to the scheme having been accounted for in 1999/2000.

2.3.8 Lonsdale School, Stevenage (Slippage £62,000)

This £100,000 scheme is funded from joint finance monies. The scheme was originally planned to be completed during the school holidays in the summer of 2000. However, the works were carried out in during the Easter vacation (March/April 2001) and this has resulted in slippage of £62,000 being required.

2.4 ENVIRONMENT

2.4.1 Highways Maintenance Depots – slippage £1,845,000

Detailed ongoing planning discussions have delayed progress although detailed design work is in hand. Construction will not commence until next financial year resulting in slippage being forecast for these self financed schemes.

2.4.2 Baldock Bypass – unused BCA £596,000

The Local Transport Plan settlement from the DLTR for 2000/01 included a budget of £596,000 for funding the preliminary works associated with the above scheme. The progress of this work and the source of its funding is directly linked to the decision on the overall financing of the scheme, the two options being by direct funding through Transport Supplementary Grant (TSG) or through the Private Finance Initiative (PFI). The decision from the DLTR is still awaited.

As this is a project directly funded by the DLTR the County Council does not have the discretion to use the underspend to finance other work.

2.4.3 Aldenham Dam Repairs – underspend £243,000

This budget remains substantially unspent as a result of advice to await the results of more tests during the year from new structural engineering consultants.

Of the £300,000 originally allocated for this project only £57,000 has been used in 2000/01 to cover a further engineer's report and ongoing settlement monitoring. The remaining £243,000 can therefore be released. However it is possible that a further capital bid may be required in a future year depending on the outcome of the settlement monitoring.

2.4.4 Cheshunt Link Road – underspend £200,000

It is proposed to use the underspend on the county capital funded Cheshunt Link Road to capitalise road maintenance.

2.4.5 Rights of Way – Bridge Refurbishment - slippage £31,000

The recent outbreak of Foot and Mouth disease has curtailed the intended programme of works due to problems with access. It is intended to carry forward the remainder of the budget to 2001/02 as capital slippage.

2.4.6 Disabled Crossing Facilities – underspend £18,000

News has recently been received from a district council agent, Broxbourne Borough Council, that they have underspent their allocation for disabled crossing facilities.

**2.4.7 PTU Public Information 2000 Project
Capital DTLR Funded Scheme – Underspend of £14,000**

This project was awarded as a single year Supplementary Credit Approval (SCA) last financial year and it was hoped to gain the agreement of the DTLR to extend it to two years. This has not been possible and so the balance of the original allocation, £14,000, will not now be spent.

**2.4.8 Integrated Transport Policies
Capital DTLR Funded Scheme –Underspend £272,000**

Projects being carried out in conjunction with Railtrack continue to be delayed which has resulted in a substantial year end underspend. This element of the Integrated Transport Measures activity is funded by specific DTLR Supplementary Credit Approval which has been granted over two years, enabling the outstanding work to be financed next year.

2.5 COMMUNITY INFORMATION

2.5.1 CD ROM Network Enhancement/Replacement – slippage £149,000

It is not possible to complete the CD ROM Network Enhancement/Replacement in this financial year and it is anticipated that £149,000 of expenditure will fall into early 2001/02.

2.5.2 DDA Compliance Work - Lifts – slippage £56,000

It is estimated that there will be £56,000 slippage on DDA Compliance work as the work on Berkhamstead Library lift is not expected to start until April 2001.

2.5.3 DDA Compliance Work – slippage £52,000

The majority of the slippage relates to works to be done at Borehamwood. Capital monies have been allocated in 2001/02 for the refurbishment of Borehamwood Library and to minimise disruption to customers the disabled access work will be done at the same time.

2.5.4 HALS Digitisation - slippage £35,000

This will not be started until 2001/02 as the tender process has been delayed due to the necessity to test the software on our own network to ensure that it will work.

2.5.5. Automated Library System Replacement – slippage £60,000

A small amount of work could not be completed until the system went live on 1st April 2001. In addition the final payment of the contract will not be paid until August 2001 when we have fully accepted the system.

2.5.6 DDA Compliance – F&E slippage £31,000

All orders were placed before the end of the financial year but in some cases the goods were not delivered.

2.5.7 Libraries Annual Provisions – slippage £29,000

A refurbishment project and the installation of new telephone lines could not be completed by the end of March and will be finished in the early part of this year.

2.5.8 Library Automation – slippage £77,000

The purchase of some equipment could not be completed before the end of the financial year.

2.5.9 Other items – slippage £47,000

Other jobs which have slipped into 2001/2002 include:-

equipment for two schemes financed by planning gain monies which could not be purchased before the end of the financial year (£10,000);

Internet Service Enhancement where it was not possible to purchase all of the equipment in this financial year (£13,000);

Repairs & Maintenance slippage due to work on Ware roof being more extensive than originally anticipated. This resulted in the work being postponed until this financial year as it could not be done during the winter months. (£23,000);

Communications Network (£1,000)

2.5.10 Libraries Health & Safety -slippage £30,000

Slippage is requested to fund outstanding asbestos works which have been identified as a result of the asbestos survey.

2.6 PROTECTION

2.6.1 Protective Clothing - underspend £251,000

As a result of investigations into the best way of providing protective clothing it was decided to move over to a lease and maintenance Total Care package.

Consequently the capital sum of £251,000 was no longer required as the uniform package will impact on the revenue budget.

2.6.2 Training Centre, Longfield. – slippage £74,000

This relates to the extension of the Drill yard at the Longfield Training Centre. Initial Tenders for the project were in excess of funds available, more economic tenders were sort, delaying the start of the project meaning that scheme was unable to be completed by 31 March 2001.

2.6.3 Operational Equipment- Slippage £17,000.

This relates to expenditure on Branches and Couplings. Expenditure was incurred in 2000/01 but the invoices were not received by 31 March 2001. Payments have been made in April.

2.6.4 IT equipment- Slippage £28,000

Relates to Command & Control. This is the same as operational equipment i.e. goods ordered in 2000/01 but paid for early 2001/02.

2.6.5 Annual Provision for Fire- Slippage £109,000

These are various works in progress at 31 March 2001, as detailed below:
Health & Safety – slippage of £25,000 relates to work on fume extraction from vehicle bays.

Minor Works – slippage of £37,000 relates to work on extension to Ware Fire Station.

Repairs & Maintenance – slippage of £47,000

This relates to various works in progress.

2.6.6 Underspend on other items amount to £77,000.

The underspend is as a result of less than expected expenditure on Asbestos removal works.

2.7 CORPORATE SERVICES

2.7.1 Customer Service Centre –£145,000 slippage

The work to integrate Education and complete the transfer of Social Services systems into the Customer Services Centre cannot be completed until 2001/02, when the new system currently being developed to support the CSF and Adult Care Services becomes operational. Carry forward of the £50,000 budget for this work is requested. Also, development of the ICT components of Herts Direct will continue into the first quarter of 2001/02. Carry forward of £29,000 of the budget for this work is requested.

£41,000 was included in the Customer Service Centre budget for relocation costs over the whole life of the project, none of which has been spent in 2000/01. The provision is still required and slippage of this amount is requested. In addition to these amounts reported previously, work on building standards and server room alterations was phased to take place over the whole life of the project. £25,000 of this budget is unspent at the year end for slippage to 2001/02.

2.7.2 Energy Conservation –£41,000 slippage

Although an extensive programme of works has been committed this year, there has been further slippage from the figure reported previously. Several schemes were in progress at 31 March and others are commencing now, having waited for heating systems to be closed down for the summer.

2.7.3. Smallford Landfill site –£58,000 slippage

Consultants have started work identifying the causes of contamination at Smallford Landfill site, but because the work is now covering a larger area of land (which has involved some respecification) there has been some delay. It is requested that the £58,000 balance be carried forward as slippage.

2.7.4 Corporate ICT –£90,000 slippage

The rationalisation of computer servers and the planning for the future migration to a Microsoft Windows 2000 platform could not commence until January 2001 when migration to LOTUS NOTES e/mail was completed. Orders are now placed and the project is expected to be completed early in 2001/02.

2.7.5 Telecommunications Strategy –£389,000 slippage

As expected there has been slippage on three elements of the telecommunications strategy in 2000/01:

a) Upgrade to the Data Back bone Network - £325,400

The European Journal tender process commenced in June. Tender responses provided different technical solutions, which required further evaluation to assess which option provided the best technical solution to meet our longer term requirements.

Post tender negotiations with the selected supplier were protracted due to the supplier having to establish “back to back” contracts with the manufacturer. Orders have been placed, planning for the installation is underway and equipment deliveries are scheduled for April. We would not pay invoices until we have undertaken extensive acceptance testing. Sign off is likely to be during June 2001.

b) Telephone Network Switch Upgrades - £29,400

The majority of this work is completed. The network number change programme has delayed some elements of software upgrades, and the scheduled completion date is now June 2001.

c) Wireless Links for the Data Network - £34,200

Orders have been placed and surveys completed but installations have been delayed by the roofing work at County Hall. The installations will be completed by the end of May 2001.

2.7.6 Land Purchase Contingency, Feasibility Studies and Rationalisation Schemes £99,000 overspend (20%)

There has been a high level of spend on this budget because of the expanded programme for capital receipts. Some of the additional spend is covered by developer's contributions, but accelerated spend in the last part of the year means there is a net overspend of £99,000.

3. IMPACT ON RESERVES

- 3.1 The virement and carry forward rules acknowledge two approaches to dealing with overspendings; either to meet the cost from reserves or to carry forward the overspend as a first charge on the following year's budget. The latter course of action would increase pressures on this year's Adult Care Services and Children, Schools and Families budget by £2.6m
- 3.2 As part of monitoring it was agreed that Education unplanned underspendings be applied to meet Education cost pressures. A similar decision regarding the Social Services outturn will still produce an increase in general balances, resulting in balances of £15.7m at 31 March 2001 compared with a previous forecast of £15.2m

4. VIREMENT AND CARRY FORWARD DECISIONS

4.1 This meeting of the Cabinet are asked to consider the following requests for carry forwards and virements over £75,000.

(i) That the following requests for carry forwards over £75,000 to 2001/2 be approved/not approved:

- a) Service: Education
Amount: £200,000
Reason: To fund IT equipment and materials related to the development of the Children, Schools and Families service in 2001/02.

- b) Service: Community Information
Amount: £237,000
Reason: Customer Service Centre- to fund increased costs in 2001/2 arising from variations in call numbers and duration in 2000/01.

- c) Service: Corporate Services- Members services
Amount: £81,000
Reason: To fund IT requirements & other additional costs arising following the election of the new Council.

ii) That the following technical adjustments over £75,000 within services be approved/not approved:

- a) From: Corporate Property Fees
To: Corporate Managed Properties
Amount: £160,000
Reason: To use the savings on fees to offset the overspend on Corporate Managed properties arising because APS are directing a greater proportion of their work from the Fees to the Managed Property budget.

- b) The use of unspent Environment Department capital provision of £200,000 to capitalise roads maintenance.

COUNTY SUMMARY REVENUE BUDGET MONITOR AS AT 31 MARCH 2001
Appendix A

(all figures in £'000)

SERVICE	Original Budget	Carry Forward from 1999/2000	Approved Virements & Technical Adjustments	Latest Approved Budget	Projected Spend at Year End	Projected Variance	Carry Forwards 2000/01 Requested
Education	471,818	838	1,514	474,170	473,582	(588)	200
Social Services	170,558	519	(134)	170,943	172,132	1,189	(19)
Environment	63,811	167	(16)	63,962	64,105	143	
Community Information	15,653	83	645	16,381	16,006	(375)	356
Protection							
Fire	27,480	282	189	27,951	27,689	(262)	
Trading Standards	1,731	47	91	1,869	1,809	(60)	60
Coroners	649			649	610	(39)	39
Registration	597	33	1	631	631	0	0
Emergency Planning	188	44		232	268	36	
Rent Officers	0			0	0	0	
Total Protection	30,645	406	281	31,332	31,007	(325)	99
Probation (net)	1,370	30		1,400	1,388	(12)	
Magistrates Courts (net)	1,084	26	(9)	1,101	1,080	(21)	21
Corporate Services							
Central Departments	15,129	426	350	15,905	15,424	(481)	355
County Supplies & Contract Services	(41)			(41)	(41)	0	
Traded Services	(62)			(62)	(62)	0	
Managed Services	37		(1)	36	36	0	
Civic Buildings	3,067		174	3,241	3,241	0	
Total Corporate Services	18,130	426	523	19,079	18,598	(481)	355
COMMITTEE TOTAL	773,069	2,495	2,804	778,368	777,898	(470)	1,012
Contingency	1,130		(257)	873	873	0	
Precepts	8,315			8,315	8,315	0	
Capital Financing & Interest on Balances	15,376		(2,387)	12,989	11,969	(1,020)	
Contributions to / from Reserves	2,409		(160)	2,249	2,249	0	
LESS							
Recharges included in Service Ctee Budgets	(7,882)			(7,882)	(7,882)	0	
Funded from Capital Resources	(4,123)			(4,123)	(4,123)	0	
COUNTY FUND TOTAL	788,294	2,495	0	790,789	789,299	(1,490)	1,012

CAPITAL BUDGET MONITOR AS AT 31 MARCH 2001						
COMMITTEE	Original Budget	Adjustments & Virements (approved & requested)	Previous Year Slippage	Latest Budget	Projected Spend at Year End	Projected Year End Variance *
	2000/01	2000/01	2000/01	2000/01	2000/01	2000/01
	£000	£000	£000	£000	£000	£000
Education						
County Funded	2,809	2,512	835	6,156	4,835	(1,321)
Externally Funded	7,290	11,386	854	19,530	17,840	(1,690)
Self Financing	10,566	4,411	0	14,977	15,305	(328)
Annual Provisions	7,459	(2,065)	748	6,142	5,171	(971)
Total Education	28,124	16,244	2,437	46,805	43,151	(3,654)
Social Services						
County Funded	675	135	942	1752	728	(1024)
Externally Funded	100	0	0	100	38	(62)
Self Financing	500	2,090	0	2,590	2,218	(372)
Annual Provisions	775	107	356	1,238	1251	13
Total Social Services	2,050	2,332	1298	5,680	4,235	(1,445)
Environment						
County Funded	4,424	0	194	4,618	4,126	(492)
Externally Funded	10,063	627	0	10,690	9,808	(882)
Self Financing	2,000	63	0	2,063	218	(1,845)
Annual Provisions	1,331	0	0	1,331	1,331	0
Total Environment	17,818	690	194	18,702	15,483	(3,219)
Community Information						
County Funded	943	(17)	177	1,103	706	(397)
Externally Funded	0	43	0	43	33	(10)
Annual Provisions	246	84	276	606	447	(159)
Total Community Information	1,189	110	453	1,752	1,186	(566)
Protection						
County Funded	632	0	139	771	400	(371)
Externally Funded	0	0	0	0	0	0
Annual Provisions	246	199	155	600	415	(185)
Total Protection	878	199	294	1,371	815	(556)
Corporate Services						
County Funded	2,008	(1,185)	553	1,376	842	(534)
Self Financing	0	1,972	0	1,972	1,986	14
Annual Provisions	1,227	(150)	638	1,715	1,590	(125)
Total Corporate Services	3,235	637	1,191	5,063	4,418	(645)
Magistrates Courts						
Externally Funded	271	152	0	119	119	0
Probation						
Externally Funded	48	335	0	403	403	0
Total	53,613	20,415	5,867	79,895	69,810	(10,085)

* underspends shown in brackets